

REMARKS

Reconsideration of the above-identified application in view of the amendments above and the remarks following is respectfully requested.

Claims 1-48 are in this Application. Claims 1-8 and 17-30 have been rejected under 35 U.S.C. § 102. Claims 9-16 and 31-42 have been rejected under 35 U.S.C. § 103. Claims 1, 18, 24 and 26 have been amended herewith. New claims 43-48 have been added herewith.

35 U.S.C. § 102 Rejections

Claims 1-8 and 17-30 are rejected under 35 USC 102 as being anticipated by Atkinson (US patent 5,511,122). Applicants respectfully disagree. Applicants thank the Examiner for his response to arguments, but do not agree with the Examiner's position. This will be set out in detail below. Some independent claims have been amended, however, to help in bringing the application towards allowance. It is applicants' general position that previous amendments and/or arguments were sufficient, and the previously pending claims may be reintroduced at a later stage in this or a related application.

Applicants respectfully submit that much of the art does not relate to the problem that is addressed by some of the claims. Namely, how to authenticate a user to a first host, using a trusted second host, and with reduced chance of hacking, in some cases, by using information which exists only at the user and cannot generally be reproduced.

Claims 1, 18, 19, 21, 24, 26 and 31 are independent. For brevity, mainly the independent claims will be argued. Dependent claims are patentable at least for reason of depending on an allowable independent claim.

Referring to claim 1. The art cited by the Examiner relates to intermediate network verification, for verification of communications lines, in which one device determines, by itself, that a message from another device is authentic. Claim 1 has been extensively amended to illustrate that it relates to authorization of a user interacting with an intermediate device, by a separate authentication server. Thus, in

the art there are two actors, while in the claim, there are three. Claim 1 should be allowed for at least this reason. In addition, claim 1 has been amended to put the authentication in context of an interaction request. This limitation too is missing from the art. Thus, the Examiner has no *prima facie* case.

New claims 43-47 further distinguish over the art. For example, claim 43 clarifies that the authentication is as part of a commercial interaction which does not require interaction with a different web server. Claim 45 clarifies that the datagram includes payment instructions. These features can be important, for example, to prevent user drop out when a user is forced to change from a web site where he is shopping to a web site where he pays. This issue is also elaborated on (and solved differently, to the extent it is solved), by US 6,873,974 to Schutzer. New claim 44 (and claim 46), for example, clarify that the securing of various acts is by a software downloaded to the user. This is not found in any of the cited art. New claim 47 relates to the authentication including only a bit of yes/no with no explanation. Such a bit may be encrypted or encoded for transmission. This is not found in any of the art and provides, for example, an inventive compromise between giving a definite and clear answer and making a system more resistant to hacking.

Referring now to claim 18. The rejection of claim 18 is not clear to the applicants. It is not clear why the Examiner is stating that KIP is binary by definition. However, in the event that the Examiner is interpreting “binary” to mean “a string of 0’s and 1’s”, the claim is amended to clarify that binary means only a single bit of information, namely “authorized” or “not authorized”. This is in contrast to the signature cited by the Examiner which typically has tens or hundreds of bits. This limitation is thus not shown in the art cited by the Examiner and provides, for example, an inventive compromise between giving a definite answer and making a system more resistant to hacking. Applicants also take objection to other mappings of claim limitations to the art, by the Examiner. For example, the Examiner did not show where hashed values are compared in the art. Thus, the Examiner has no *prima facie* case.

Referring to claim 19. Claim 19 is rejected for the same reasons as claim 18, and should be allowed for the same reasons, at least. In addition, the Examiner did not show that the secret code only exists on the authentication device. Thus, the Examiner has no *prima facie* case.

Referring to claim 21. In this claim, the Examiner seems to be interpreting the word “code” to mean software, rather than “code word”, a meaning clear from the claim. In particular, Col 8, lines 62-67 of Atkinson relate to a desired property of software, not to any teaching of how to do any act, let alone code generation. Further, the act of destroying the seed is absent from Atkinson. A seed is a particular code word used to generate other code words. Also, ignoring an item is NOT the same as destroying, as after ignoring one can still start to pay attention, but destruction is a final act. Thus, the Examiner has no *prima facie* case. New claim 48 adds additional limitations relating to usage of the code or indication, also not found in the art.

Referring to claim 24. Claim 24 has been rejected based on Atkinson. The claim has been amended to clarify, what was possibly written less clearly before, that a same authentication server is used for authenticating a user to the vendor and a vendor to a user. There are only two actors and no third party authenticator in Atkinson. Thus, the Examiner has no *prima facie* case.

Referring to claim 26. Claim 26 has been rejected based on Atkinson. However, in spite of the Examiners interpretation of a packet number generation as a counter, applicants do not find a counter which is incremented based on a validity of an authentication diagram. To assist in furthering the case to allowance, applicants have amended claim 26 to read that the validation signal is outputted in response to the counter. This is not found in the art, even according to the method of interpretation used by the Examiner. Thus, the Examiner has no *prima facie* case.

35 U.S.C. § 103 Rejections

Claims 9-16 and 31-36 are rejected under 35 USC 103 over Atkinson in view of Daudelin. Claim 31 is an independent claim and will be argued. The Examiner states that Daudelin shows using a Hilbert transform. While this may be true, the

method of Daudelin is very different from that claimed. In particular, the Examiner is still missing claim limitations not found in any of the cited art and the Examiner has not shown a *prima facie* case:

- a. Daudelin does not detect an acoustic FSK signal, only an RF FSK signal
- b. correlation of the Hilbert transform and a reference signal (and then integration) is not shown in Daudelin.

Referring specifically to point b. Daudelin Col. Lines 48-56, indicated by the Examiner as teaching such correlation, do not discuss correlation at all. Rather, Col. 4, lines 35-55 teach that any comparison is not to a reference signal but rather to the same signal processed in a different manner. This apparently is to distinguish between different frequencies present in the signal. For that reason, the Examiner has also not shown an actual integration. The section referred to by the Examiner (Col. 13, lines 45-50) relate to a method of calculating a dynamic threshold value.

Regarding the rejection of claims 9-16. While an official notice provided by the Examiner, the Examiner failed to provide a specific matching of the limitation of the specific notice to particular claims. Nor did the Examiner explain how the official notice would be combined with the cited art. Applicants contend that the rejection is thus incomplete and cannot answer it at this time.

The other 35 USC 103 rejections (for claims 37-42) are mooted at least for reason that the patent claims are patentable. The additional cited art references, alone or in combination, do not provide the missing elements discussed above. In addition, applicants respectfully submit that the Examiner did not explain how the three pieces of art are to be combined. Rather, the Examiner appears to have argued the elements but not the combination. The Examiner is respectfully requested to explain not only how the limitations of the claims are found in the cited art separately, but also that the limitations would be found in a particular combination. Absent the description of any particular combination this cannot be done. Applicant has difficulty arguing against an unclear rejection such as this. Applicant notes that also the rejection of claim 31 suffers from this problem, possibly to a lesser degree.

Finality

Applicants respectfully object to the finality. At least some of the claims are the subject of an incomplete rejection and it is requested that the office action be reissued with a complete rejection. Applicants are, however, filing an RCE, because the statutory period for response is reaching an end, but request that if found correct, receive a refund.

Conclusion

In view of the above amendments and remarks it is respectfully submitted that claims 1-48 are now in condition for allowance. A prompt notice of allowance is respectfully and earnestly solicited. If the Examiner does not feel the claims can be allowed, prior to mailing of the Examiner's next Official Action, applicants hereby requests an interview with the Examiner to discuss the outstanding Official Action and applicants' amendment. Thus, prior to mailing of the Examiner's next Official Action, the Examiner is invited to contact the undersigned by telephone if it is felt that a telephone interview would advance the prosecution of the present application.

Respectfully submitted,

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Enclosures:

- Petition for Extension (Three Months)
- Request for Continued Examination (RCE)